

TESTIMONY PRESENTED TO THE APPROPRIATIONS COMMITTEE
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Testimony On Senate Bill No. 311

AN ACT CONCERNING PORTIONS OF THE STATE BUDGET APPROPRIATING AID TO
MUNICIPALITIES

Senator Harp, Representative Walker and distinguished members of the Appropriations Committee, thank you for the opportunity to offer testimony on Senate Bill No. 311, An Act Concerning Portions of the State Budget Appropriating Aid to Municipalities.

This bill would require the General Assembly to adopt the municipal aid portions of the state budget by March first each year. While municipalities are understandably interested in knowing the amount of state aid they can count on as they prepare their budgets, we do not support piecemeal adoption of a state budget. The state's budget must be considered in its entirety, in the context of anticipated revenues and with decisions about the amount and sources of municipal aid considered alongside the needs of all of the other interests that compete for state funding. Further, performance of the state's largest and most important revenue source—the income tax—is substantially influenced by data from April collections. Because finalization of the state budget has historically been timed to follow after April collections data is known, it is not realistic to expect all or a portion of the state budget to be settled by March first.

While I do not support this particular proposal, it may make sense for the General Assembly to consider alternatives, such as changing the start of the municipal fiscal year, in order to better accommodate the timeline for adoption and implementation of municipal budgets.

I would like to again thank the committee for the opportunity to present this testimony. I respectfully request that the Committee take no action on this bill and I will be happy to answer any questions you may have.